



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
PHILADELPHIA REGIONAL OFFICE
1617 JFK Boulevard, Suite 520
Philadelphia, PA 19103

CHRISTOPHER R. KELLY
SENIOR TRIAL COUNSEL
(215) 597-3741
KellyCR@sec.gov

February 27, 2020

Via ECF and UPS Overnight

The Honorable Lewis A. Kaplan
United States District Judge
United States Courthouse
500 Pearl Street
New York, NY 10007

Re: SEC v. PTG Capital Partners LTD, Case No. 15-CV-04290 (LAK) (S.D.N.Y.)

Dear Judge Kaplan:

Plaintiff Securities and Exchange Commission (the “Commission”) respectfully submits this letter to inform the Court that the Commission and defendants Strategic Capital Partners Muster Limited (“Strategic Capital”) and Strategic Wealth Investments, Inc. (“Strategic Wealth” and, together with Strategic Capital, the “Strategic Entities”) have reached proposed settlements in this case. Enclosed for the Court’s consideration are the Strategic Entities’ executed consents to proposed final judgments (the “Final Judgments”) along with the Final Judgments. *See* Exs. A-B.

The consent Final Judgments are fair and reasonable and in the public interest in light of *SEC v. Citigroup Global Markets, Inc.*, 752 F.3d 285 (2d Cir. 2014). Among other things, the proposed Final Judgments: (1) permanently enjoin the Strategic Entities from committing future violations of the federal securities laws that the Commission charged them with violating, including injunctions against committing fraud in connection with the offer, purchase and sale of securities, including market manipulation; (2) order Strategic Capital to pay disgorgement in the amount of \$28,079, plus prejudgment interest thereon in the amount of \$716.59, and a civil penalty in the amount of \$500,000 and (3) order Strategic Wealth to pay disgorgement in the amount of \$2,400, plus prejudgment interest thereon in the amount of \$72.85, and a civil penalty in the amount of \$500,000. With respect to the amount of the penalties, the conduct at issue here “involved fraud, deceit, manipulation, or deliberate or reckless disregard of a regulatory requirement” and “directly or indirectly resulted in substantial losses or created a significant risk of substantial losses to other persons.” 15 U.S.C. §§ 77t(d)(2)(C), 78u(d)(3)(B)(iii). Accordingly, it is appropriate to impose substantial, third-tier penalties on the Strategic Entities

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in this case, in the form of a combined \$1,000,000 in civil penalties. *See Ex. C, SEC v. Aly, No. 16-cv-3853, slip op. at 9-10 (S.D.N.Y. Oct. 5, 2018)* (imposing approximately \$425,000 in third-tier penalties on defendant in an EDGAR market manipulation case).

If the proposed Final Judgments are acceptable to the Court, we respectfully ask that the Court docket execute copies of them.

Respectfully submitted


Christopher R. Kelly

Enclosures

cc: Counsel for the Strategic Entities (via ECF)
Nedko Nedev (via first class mail)